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known but unapplied for some time and that in many cases the application of a method of power production is the result rather than the cause of the invention of new machinery.

Some of the most interesting chapters in the book are devoted to the question whether electricity with its superiority to steam for small industries may lead to a revival of house industry or small factories. In two most interesting chapters the author examines the reasons for the survival of the house industry in the St. Etienne riband manufacture, and for its decline in the Lyons silk industry. His conclusion which he believes applies to the situation in general is that the survival or decline depends upon market conditions of such fundamental importance that electricity is either unnecessary in order to maintain the industry or powerless to arrest its decline.

The attempt to distinguish between prime and secondary causes of industrial development seems a hopeless task. The author does not succeed, but in his attempt he assembles a considerable material concerning the chronology of the application of various forms of power and of their growth in use, which is of great interest. Unfortunately, this material is largely confined to the textile industries so that from this work one learns relatively little concerning the use of power in other industries. The concise but fairly detailed discussions of the technical advantages and disadvantages of the various methods of power production render the work a valuable source of condensed technical information on power production.

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*Standards of Health Insurance.* By I. M. RUBINOW. New York:  
Henry Holt & Co., 1916. 8vo, pp. v+322. \$1.50 net.

This study is for the most part an expansion of a series of articles that was published in the *Journal of Political Economy* for March, April, and May, 1915, under the title of "Standards of Sickness Insurance." Though material has been added in practically all of the divisions of the work, additional statistical tables introduced, and some of the old tables rearranged and corrected, the treatment of the question and the conclusions drawn are essentially those of the articles. The chapter "Administrative Organization" is new, as are also the two appendixes "Constitutionality of Health Insurance" by Joseph P. Chamberlain, and "Organization of Medical Aid" by Alexander Lambert. The plan of the work has been more clearly outlined for the hasty reader by advancing some of the original subtitles to the position of chapter headings while subordinating others to them. In general the book deals with the need in this country for health insurance, and advances arguments that it should be compulsory; questions to whom it should apply, and for what purposes; discusses benefits to be given; and considers organization and administration problems and plans. The subject is one likely to be of increasing importance during the present year since it is receiving notice by the legislatures of several of the states, and since action by these legislatures has been opposed by the

American Federation of Labor in its last convention, at which time the Executive Council of the Federation reported, "so far as social insurance by the state and national governments is concerned, if established at all, [we recommend that it] shall be voluntary and not compulsory."

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*Principles of Accounting.* By W. A. PATON and R. A. STEVENSON. Ann Arbor, Mich.: Ann Arbor Press, 1916. 8vo, pp. 222. \$3.25.

The aim of accounting is to collect and to present in a classified form information which will aid in understanding "the economic process." Such being the case, accounting should tend to reflect changes in the industrial and commercial organization with which it deals. The last century has seen the growth of large corporations with their specialized securities; and it has brought more intense internal control of industry and a broader social control of the means of production. Quite logically then, modern accounting should emphasize those things which have come about as a result of these forces.

The authors of this book conceive the present specialization of equities and their changeable character to be all-important matters to the science of accounting at the present time. So the study is mainly concerned "with the construction and analysis of accounts from the standpoint of the equities involved—especially with the proprietary equity." The book is organized primarily from a pedagogical standpoint. It is intended for use in general accounting courses, and deals only with general principles. Auditing, public utility accounting, municipal accounting, and cost accounting are barely mentioned—one chapter suffices to cover all of them.

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*Income Tax Procedure, 1917.* By ROBERT H. MONTGOMERY. New York: Ronald Press Co., 1917. 8vo, pp. x+461. \$2.50.

This work, by its author's own profession, is not a treatise on the income tax but rather a reference manual for the individual, company, or trustee who wishes authoritative guidance in the actual reporting of income as required by the amended income-tax law. The various provisions of the law are set forth under convenient headings; Treasury Department rulings are cited; and the interpretations and criticisms of the author, who is both an attorney and an accountant, are appended. A wholly orderly and satisfactory treatment could hardly be expected at a time when the administrative decisions remain so chaotic, and when judicial interpretations are mostly not yet established. The book is, notwithstanding, a serviceable compilation, even though it hardly makes good Mr. Montgomery's hope that it will "answer about 98 out of 100 anxious questions."